THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) No, Sir. The 5 per cent cut in the Central Plan Expenditure (excluding externally aided projects) is expected to lead to a saving of about Rs. 1800 crores. The overall saving is just 0.16 per cent of GDP at market prices in 1995–96. At the current level of GDP the proportion would be even lower.

(c) In the Union Budget 1997–98 and the Credit Policy announced thereafter in April-October, 1997, strong initiatives have been provided to improve investor's confidence, industry profitability and credit flow. In a meeting convened by the Prime Minister with Infrastructure sectors on 22nd July, 1997 and with other Manufacturing Industry on 14th October, 1997, issues relating to temporary slow down in some of the sectors were discussed and steps such as restoration of duty draw-back to encourage exports have already been taken. Further, with the sharp increase in availability of lendable resources with banks with phased reduction of Cash Reserve Ratio (CRR), substantial lowering of interest rates and release of arrears of pay to Central Government Employees on implementation of the Recommendations of Fifth Pay Commission, the overall demand for industrial products is expected to go up.

Import of Rubber

*45. SHRI N.K. PREMCHANDRAN:
SHRI V.V. RAGHAVAN:

Will the Minister of COMMERCE be pleased to state :

(a) the quantity of Natural Rubber imported during each of the last three years, country-wise;

(b) the quantity of rubber procured by STC so far and per kg. price offered to the natural rubber growers;

(c) whether there is a steep fall in the price of natural rubber in the domestic market;

(d) if so, the reasons therefore;

(e) whether the Government have received any representation from the rubber growers of Kerala in this regard; and

(f) if so, the steps taken thereon to save the rubber growers of the country?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH) : (a) The quantity of Natural Rubber imported during each of the last three years is as under:—

Year	Qty (MT)
1994–95	8094
1995–96	51644
1996–97	18057

(Source: DGCI&S. Statistics)

Country-wise details of imports of Natural Rubber are available in Foreign Trade Statistics of India Published by DGCI&S, copies of which are available in the Parliament Library.

(b) As on 17.11.97, 1193 MT of Natural Rubber has been delivered against authorisation of 9256 MT by STC. The authorisation has been at prevailing day to day market prices.

(c) and (d) Due to sluggish demand of Natural Rubber from the tyre industry & general slowness in industrial activities, the prices of Natural Rubber have been showing a declining trend in tandem with International Rubber Prices. However, the domestic prices are still higher than the International Rubber Prices.

(e) and (f) Yes, Sir. In order to stablise the price of Natural Rubber in the domestic market Govt. has already directed STC to intervene in the market and procure Natural Rubber on Government Account up to 10,000 MT at current prevailing prices not exceeding Rs. 42/- per kg.

[Translation]

Development of Handloom Sector

*46. SHRI DATTA MEGHE : Will the Minister of TEXTILES be pleased to state :

(a) whether there are ample possibilities for the development of handloom textile industry in Maharashtra and other States;

(b) if so, the steps taken by the Government to ascertain the possibilities of handloom development in such States; and

(c) the details of assistance proposed to be provided for this purpose?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) Yes, Sir.

(b) The formulation of policies and programmes for handloom development is a continuous process. The Government is presently implementing a number of programmes for the development of handioom sector and welfare of weavers. These provide support to weavers for modernising their looms, upgradation of weaving skills through training, developing of designs, provision of product input like yam and dyeing facilities and marketing of their products. Some of the schemes under which assistance is being provided to weavers are Project Package Scheme, Scheme for Export Development, Scheme for Freelance Designers, Market Development Assistance, scheme for setting up of Marketing Complexes, setting up of Handloom Development Centre & Quality Dyeing Units and assistance for organising fairs and exhibitions. In addition, welfare

schemes such as Group Insurance, Thrift Fund and Health package & Workshed-cum-Housing scheme are also being implemented.

(c) An annual plan provision of Rs. 110.00 crores has been made for 1997–98 for this sector. Assistance under various ongoing schemes is sanctioned on basis of proposals received from the State Governments and Implementing agencies. The State Governments and Union Territories have been advised to submit adequate number of proposals for this purpose.

[English]

Jute Bags

*47. DR. VALLABHBHAI KATHIRIA :
SHRI SHANTILAL PARSOTAMDAS PATEL :

Will the Minister of TEXTILES be pleased to state :

(a) whether the Government have made any study about the packaging of cement; fertilizers in jute bags and HDPE/PP bags;

(b) whether these commodities are prone to pilferage at a large scale during transporation and by traders affecting the consumers in general;

(c) whether a number of representation have been made against the application of the provisions of the Jute Packaging Material (Compulsory Use in Packing Commoditics) Act, 1987 in the field of these commodities in particular;

(d) if so, whether the Government have examined this issue afresh; and

(e) if so, the action taken or proposed in this regard?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) and (b) National Council for Cement & Building Materials conducted a study to asses the comparative performance of Jute and different synthetic bags for packing of Cement only. Cement is prone to pilferage/transit loss during various stage for transporation both from Jute Bags and HDPE/PP bags. The pilferage/transit loss from Jute bags is marginally higher i.e. 0.4 per cent than that from HDPE/PP bag. No such study was conducted in respect of fertilizer.

(c) to (e) Several representations have been received from the Chief Ministers of various state Governments, Members of Parliament and different associations for and against the enforcement of the mandatory reservations, particularly with respect to packing of cement in jute bags. After consideration of the issues involved, the Government issued a revised Jute Packaging order effective from 1.7.1997 in respect of foodgrains, sugar & urea whereby, foodgrains (100%) sugar (100%) and Urea (50%) were required to be compulsory packed in jute packaging materials for the jute year (1997–98) & (1998–99). In respect of Cement, the issue of existing revision in reservation percentage is pending final decision of the Government.

Interest Rate Policy

*48 SHRI I.D. SWAMI : Will the Minister of FINANCE be pleased to state:

(a) whether the Reseve Bank of India has revised its interest and finance policy;

(b) if so, the number of times it has done so during the last three years with details thereof;

(c) the reasons therefor and the benefits accrued therefrom; and

(d) whether the Union Government dropose to ensure *that the commercial banks in the public and private sectors grant the loans to the industry, farmers, business community* and individual including pensioners for purchase of flats without much difficulty?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d) : The monetary and credit policy including interest rate policy is under continuing review of Reserve Bank of India (RBI). Modifications in the policy are made when necessary on the basis of emerging developments in the economy. RBI announced the monetary and credit policy for the second half of 1997–98 on 21.10.1997. Broadly the monetary and credit policy aims at maintaining a reasonable degree of price stability and availability of adequate credit to support the growth of real sector of the economy. With the economy operating in a more outward-looking and competitive environment, the monetary and credit policy initiatives are increasingly directed towards maintaining a stable financial environment in relation to price, interest rate and exchange rates. The monetary and credit policy initiatives have helped to bring about a better control over money supply, and mainly through it to influence the inflation rate (as measured by the wholesale price index) which has come down from double digit figures in 1993–94 and 1994–95 to a low level of about 4 percent by October 25, 1997. Efforts to operationalise the bank rate as a device to transmit the stance of monetary policy and as a reference rate for influencing the direction in the movements of market interest rate have been successful as reduction in the Bank Rate has been followed by reduction in the lending and deposit rate of bank.

The banks have also been directed to lay down in clear cut terms the loan policies in respect of different categories of borrowers—small, medium and large to ensure that all productive sectors, including housing sector, get their due attention from the organised credit market.